

# EXHIBIT C

## NEWS RELEASE



UnitedHealth Group

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*(For Immediate Release)*

### UNITEDHEALTH GROUP BOARD ANNOUNCES SERIES OF ACTIONS

**Minneapolis, Minn., (October 15, 2006)** – The Special Review of the Board of Directors of UnitedHealth Group (NYSE: UNH) and its independent counsel, Wilmer Cutler Pickering Hale and Dorr, have completed a review and report of UnitedHealth Group's stock option practices and reported the findings to the non-management directors.

A copy of the WilmerHale report is attached and available at [www.unitedhealthgroup.com](http://www.unitedhealthgroup.com). Copies of the report have been sent to the Securities and Exchange Commission and the Department of Justice.

In accepting the report, the Board of Directors today announced the following actions and decisions:

1. William W. McGuire, M.D. will leave the company on or before December 1, 2006, and he stepped down today as Chairman of the Board and as a Director. Between now and his departure, he will continue as Chief Executive Officer and will assist in an orderly transition to new leadership.

The Board expressed its appreciation for the extraordinary contributions made by Dr. McGuire over the past 15 years. Under his leadership, UnitedHealth Group has had an enormous positive impact on the American health care system, making significant contributions in improving accessibility and making the health care system more affordable; the company became an industry leader with revenues growing from approximately \$600 million to more than \$70 billion. The stock price of UnitedHealth Group rose by almost 8500 percent, more than 30 times the growth of the S&P 500. The employees, shareholders and customers of UnitedHealth Group have all benefited from his leadership, energy and vision.

2. The Board elected Stephen J. Hemsley to succeed Dr. McGuire as CEO upon Dr. McGuire's departure from the company. Mr. Hemsley joined the company in 1997 and has been the company's President and COO since 1999.

3. The Board has created the position of non-executive chairman of the UnitedHealth Group Board.
4. The Board has elected Richard T. Burke, founding CEO of UnitedHealth Group, and a director since 1977, to the position of non-executive chairman, effective immediately.
5. The Board has accepted the resignation of board member William G. Spears, who had remained with the Board for the past six months to see the review process through to completion. The Board is grateful to Mr. Spears for his many contributions during his 15 years of service to the company.
6. David J. Lubben will proceed with plans to retire and is stepping down today as General Counsel and Secretary. He will remain with the company to effect an orderly transition of his responsibilities. The Board is grateful to Mr. Lubben for his 25 years of outstanding service and commitment to the company, both as in-house counsel and his prior contributions as outside counsel.
7. The Board has instructed Mr. Hemsley to review the conduct of senior executives in the legal, human capital and accounting functions of the Company and recommend any additional personnel actions to the Board should they be necessary.
8. Mr. Hemsley has voluntarily agreed to reprice all options awarded through 2002 to the annual high share price for each year, and to take any other appropriate action to eliminate any possible financial benefit from options-related issues identified in the report. The Board expects similar actions by Mr. Lubben and the company's most senior executives.
9. Dr. McGuire has voluntarily agreed to reprice all options awarded to him from 1994 through 2002 to the annual high share price for each year to eliminate any possible financial benefit from options dating issues identified in the report. The company is engaged in discussions with Dr. McGuire concerning the terms of his departure from the company, including other options issues and financial benefits. The company expects to conclude the discussions on or before December 1, 2006.

In addition to the steps above, the Board is taking the following actions with respect to the corporate governance of UnitedHealth Group.

10. The Board will have five board seats filled by new independent directors over the next three years in order to bring new experiences, expertise and perspectives into its membership.
11. A new senior executive position of Chief Legal Officer will be established and a national search for candidates will be conducted.
12. The position of Chief Ethics Officer will be made a senior executive position with responsibility for communicating and monitoring compliance with standards of ethical conduct and business integrity by all of the Company's employees.

13. The position of Chief Administrative Officer will be made a senior executive position with responsibility for the Company's critical administrative functions and non-business operations, including human capital, personnel, compensation, compliance, internal audit and business risk management, and staff support functions.
14. A separate position of Secretary to the Board, who will report to the Board with an administrative reporting line to the Chief Legal Officer, will be established. The sole responsibility of the Secretary will be to support the activities of the Board and of its Committees, including ensuring that the Board's activities and recordkeeping are in line with corporate best practices.

The actions on corporate governance announced today follow steps taken by the Board earlier this year to improve the Company's corporate governance and compensation practices. These include:

#### Board Structure and Process

- Appointing co-lead directors (these positions have been replaced as of today by the position of non-executive chairman).
- Recommending that the Shareholders amend the Company's Charter to eliminate the classified board, so that all directors would be elected annually
- Recommending that the Shareholders amend the Company's Charter to remove supermajority approval requirements
- Establishing a Public Responsibility Committee to focus on the Company's corporate social responsibility
- Initiating the review and enhancement of the Company's director independence standards
- Requiring all Audit Committee members to be financial experts as defined by the SEC
- Limiting the number of boards on which directors may serve
- Requiring that all directors attend ISS accredited director training

#### Director and Officer Compensation

- Reducing Board compensation by 40 percent, following a reduction of 20 percent in 2005
- Discontinuing equity awards to a number of senior executives, including the CEO and President

- Initiating the process of amending the employment agreements of the CEO and President to cap SERP benefits; require reimbursement to the Company for any personal use of corporate aircraft; eliminate any tax gross-ups payable in connection with the personal use of corporate aircraft; and eliminate certain perquisites including life insurance and disability premium payments not generally available to other employees and Company-funded post-retirement health insurance
- Initiating the process of amending the employment agreements of all senior executive officers to remove any enhanced severance payments upon a change of control
- Establishing stock ownership guidelines for directors and executive officers

#### Controls Over Stock Options and Other Equity Awards

- Eliminating all delegated authority to management to make equity awards
- Requiring that broad based equity awards to the Company's executives and employees occur annually and be approved at the Board meeting that generally coincides with the Company's Annual Meeting
- Requiring that awards made to new hires, or for promotions or other important and valid business purposes, only be made and approved at a subsequent regularly scheduled quarterly meeting
- Significantly enhancing the Company's approval processes and internal controls related to stock option granting and administration.

The WilmerHale team was led by William R. McLucas, former Director of Enforcement of the Securities and Exchange Commission. During the inquiry, WilmerHale reviewed more than 26 million pages of materials and conducted more than 80 interviews of UnitedHealth employees, present and former directors and former auditors.

#### **Third Quarter 10-Q Likely to be Delayed; Earnings Call to Proceed as Scheduled; No Decision on Restatement**

The Company reaffirmed its previously issued guidance for the remainder of 2006 and for 2007, and said that it would hold its regular quarterly earnings call on October 19 as scheduled. In addition, the Company indicated it was likely to delay filing of its Form 10-Q for the third quarter of 2006 in order to complete its analysis of adjustments to previously filed financial statements in light of the Report. The company has not yet determined whether any restatements of previously filed financial statements will be required. The company reiterated that it will not resume its stock repurchase program until it is current with regulatory filings.

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## About UnitedHealth Group

UnitedHealth Group ([www.unitedhealthgroup.com](http://www.unitedhealthgroup.com)) is a diversified health and well-being company dedicated to making health care work better. Headquartered in Minneapolis, Minn., UnitedHealth Group offers a broad spectrum of products and services through six operating businesses: UnitedHealthcare, Ovation, AmeriChoice, Uniprise, Specialized Care Services and Ingenix. Through its family of businesses, UnitedHealth Group serves approximately 70 million individuals nationwide.

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### **Forward-Looking Statements**

This news release may contain statements, estimates or projections that constitute “forward-looking” statements as defined under U.S. federal securities laws. Generally the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will” and similar expressions identify forward-looking statements, which generally are not historical in nature. These statements may contain information about financial prospects, economic conditions, trends and unknown certainties. We caution that actual results could differ materially from those that management expects, depending on the outcome of certain factors. These forward-looking statements involve risks and uncertainties that may cause our actual results to differ materially from the results discussed in the forward-looking statements. Some factors that could cause results to differ materially from the forward-looking statements include: increases in health care costs that are higher than we anticipated in establishing our premium rates, including increased consumption of or costs of medical services; heightened competition as a result of new entrants into our market, and consolidation of health care companies and suppliers; events that may negatively affect our contract with AARP; uncertainties regarding changes in Medicare, including coordination of information systems and accuracy of certain assumptions; funding risks with respect to revenue received from Medicare and Medicaid programs; increases in costs and other liabilities associated with increased litigation, legislative activity and government regulation and review of our industry; potential consequences surrounding findings of our ongoing internal investigation, investigation by a committee of our independent directors and informal SEC inquiry into our stock option granting practices, as well as a subpoena from the office of the U.S. Attorney for the Southern District of New York requesting documents relating to stock option grants since 1999 and a request from the Internal Revenue Service for documents relating to the compensation of certain executive officers; uncertainty of results of pending civil litigation relating to our stock option granting practices; our ability to execute contracts on competitive terms with physicians, hospitals and other service providers; regulatory and other risks associated with the pharmacy benefits management industry; failure to maintain effective and efficient information systems, which could result in the loss of existing customers, difficulties in attracting new customers, difficulties in determining medical costs estimates and appropriate pricing, customer and physician and health care provider disputes, regulatory violations, increases in operating costs, or other adverse consequences; possible impairment of the value of our intangible assets if future results do not adequately support goodwill and intangible assets recorded for businesses that we acquire; potential noncompliance by our business associates with patient privacy data;

misappropriation of our proprietary technology; and anticipated benefits of acquiring PacifiCare that may not be realized. This list of important factors is not intended to be exhaustive. A further list and description of some of these risks and uncertainties can be found in our reports filed with the Securities and Exchange Commission from time to time, including our annual reports on Form 10-K and quarterly reports on Form 10-Q. Any or all forward-looking statements we make may turn out to be wrong. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Except to the extent otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements.)

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